GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1692
ANSWERED ON:23.08.2007
GUIDELINES ON GAS PRICING
Bishnoi Shri Kuldeep

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government plans to evolve transparent guidelines on gas pricing;

(b) if so, the details thereof; and

(c) the time by which the clear guidelines on gas pricing for New Exploration Licensing Policy are likely to be finalised?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI DINSHA PATEL)

(a) to (b): The Production Sharing Contracts (PSCs) provide for pricing of gas on the basis of arms-length principles. The role of the Government is to approve the valuation of gas for the purpose of determining Government take. In order to have transparent and consistent guidelines for gas price discovery, the Government had constituted a committee under the Chairmanship of Joint Secretary and Financial Adviser, Ministry of Petroleum and Natural Gas. The Committee held extensive consultations with various stakeholders, including E&P operators, users of gas, industry bodies, etc. The Committee had submitted its report to the Government, which has since been accepted.

(c) Government has now constituted an Empowered Group of Ministers (EGoM) to consider issues related to gas pricing under the NELP regime.